

Industrial Assistance Fund Economic Opportunities (HB 75)
Guidelines adopted by the Board of Business and Economic Development – August 2004

1. Recommended Dollar Cap Amount per Project - \$500,000
2. Project's required Timeframe doesn't work within the Constraints of Annual Legislative Sessions – action is required during the interim period
3. Recommended Minimum ROI using Fiscal Impact Model - ROI Multiple of 5
4. Applicant must specify the Timeframe in which to Demonstrate Results -recommended that this may be in months or years, not to exceed 3-5 years
5. Applicant has explored and exhausted all reasonable sources of funding sources including bonding, franchise fees, federal grants, etc.
6. Collaborative Funding – IAF dollars are not the only dollars in the project
 - a. If possible state dollars should be the last dollars in the project or a matching funds requirement should be attached to any commitment
 - b. The state should be a partner in the project, not the initiator or leader – ownership of the project should remain with the applicant
7. State Funding is Critical to Success of Project - applicant should identify the compelling rationale for the state to participate
8. Project works in concert with Free Market Principles, not competitive to free enterprise – the state is not an appropriate replacement for the marketplace.

Red Flag Issues – If a project exhibits any of these characteristics the Board is likely to say no.

1. The project has no direct linkage to economic development, ie; enhancing the state's tax base, creation of high paying jobs, etc.
2. The project is focused at retail or personal services businesses.
3. The project's time horizon suggests that the project is not ripe for funding.
4. The application seeks to by pass existing structures or organizations authorized by the Utah Legislature to address this specific type of project.
5. The project is directly competitive with private enterprise or likely to become competitive with private enterprise in the near term.
6. The project's timeline and requested funding level works well within existing legislative process, therefore the applicant should seek to receive an earmarked appropriation from the Utah Legislature.
 - a. Large dollar amounts (usually expressed in millions of dollars)
 - b. Could logically work within the flow of the normal budgetary process

Based on these Board-derived guidelines, the IAF Administrator would expect to see applications that would likely fit into one of four categories:

1. Allow the state to be a participant with cities, counties and others to resolve:
 - a. Critical economic development issues that if left unresolved could cause a significant economic loss to the state (loss prevention or mitigation)
 - b. Support infrastructure development critical to continued economic development.
2. Short-term pilot or demonstration projects to test and prove proposed economic development incentive or initiative prior to seeking legislative action to create permanent solutions.
3. Legislative initiatives.
4. Special projects as deemed appropriate by the DCED Executive Director.